

Message Text

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FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC PRIORITY 6338

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E.O. 11652: N/A

TAGS: EINV, MT

SUBJECT: WESTINGHOUSE CASE

REF: (A) STATE 183043; (B) VALLETTA 0833

1. EMBOFF DISCUSSED WESTINGHOUSE CASE WITH GOM ATTORNEY GENERAL EDGAR MIZZI ON AUGUST 6, AND PROVIDED HIM WITH COPY OF BLAIR CRAWFORD'S MESSAGE TO MALTA ELECTRICITY BOARD (REFTEL A). EMBASSY ALSO SENT COPY DIRECTLY TO MEB, AS INSTRUCTED.

2. AFTER STUDYING CRAWFORD'S MESSAGE, MIZZI ASKED THAT CRAWFORD BE INFORMED OF ONE ERROR IN HIS PROPOSED LETTER. THIS RELATES TO WAIVER OF LEGAL FEES BY THE PARTIES TO THE CASE.

3. MIZZI STATED THAT WHILE IT HAS BEEN AGREED THAT THE GOM WOULD WAIVE ALL FEES DUE GOVERNMENT COUNCIL, THIS WAS NOT RPT NOT THE CASE WITH COUNCIL FOR THE MALTA ELECTRICITY BOARD. MIZZI POINTED OUT THAT MEB HAD MAINTAINED PRIVATE COUNCIL IN THIS CASE, AND THAT MEB LAWYER, PROFESSOR CREMONA, THEREFORE HAD SAME RIGHT TO PAYMENT FOR HIS WORK AS DID WESTINGHOUSE LAWYER, DR. MALLIA.

4. MIZZI THOUGHT THERE WAS ONLY A SIMPLE MISUNDERSTANDING INVOLVED HERE. THE TOTAL LEGAL COSTS DISCUSSED WHEN

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CRAWFORD WAS IN MALTA (FOR WHICH WESTINGHOUSE WOULD BE

RESPONSIBLE) INCLUDED FEES FOR BOTH LAWYERS, AS WELL AS A MANDATORY COURT REGISTRY FEE. THIS TOTAL WOULD APPROXIMATE FIVE PERCENT OF THE "AGREED" CONTRACT VALUE.

5. THEREFORE, MIZZI SUGGESTS THAT CRAWFORD'S LETTER BE REVISED TO ELIMINATE (IN PARAGRAPH TWO) THE PHRASE "COUNCIL FOR THE MEB". OTHERWISE, MIZZI HAS NO PROBLEMS WITH THE LETTER AS PROPOSED.

6. HOWEVER, MIZZI IS FACED WITH ANOTHER RELATED DIFFICULTY, WHICH INVOLVES THE FEES PAYABLE TO CREMONS AND MALLIA. MIZZI RECALLS THAT THE "AGREED" CONTRACT VALUE (ON WHICH THE FEES WOULD BE BASED) DISCUSSED WITY CRAWFORD WAS DOLS ONE MILLION. HOWEVER, HE HAS NOW RECEIVED A WRITTEN REQUEST FROM DR. MALLIA TO CERTIFY THE VALUE AT DOLS 1,665,805. SIJOHIS WOULD SIGNIFICANTLY INCREASE ZHE FEES PAYABLE TO CREMONA AND MALLIA, MIZZI DOES NOT WISH TO MAKE ANY SUCH CERTIFICATION WITHOUT CRAWFORD'S CONCURRENCE.

7. DEPARTMENT IS REQUESTED TO TRANSMIT MIZZI'S COMMENTS REPORTED ABOVE TO CRAWFORD AND ADVISE EMBASSY SOONEST OF CRAWFOD'S REQPNSE. MIZZI WILL TAKE NO FURTHER ACTION IN THE MEANWHILE.

8. COMMENT: MIZZI IS JUST AS ANXIOUS AS WESTINGHOUSE TO SETTLE THIS CASE AS QUICKLY AS POSSIBLE. HOWEVER, HE OBVIOUSLY DOES NOT WISH TO BE PUT IN THE MIDDLE WITH REGARD TO HOW MUCH SHOULD BE PAID THE WESTINGHOUSE LAWYER (AND, BY EXTENSION, THE MEB LAWYER). WHATEVER IS ACCEPTABLE TO CRAWFORD ON THIS SUBJECT WILL BE ACCEPTABLE TO MIZZI. SMITH

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